

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7058
BILL NUMBER: HB 1295

DATE PREPARED: Dec 31, 2000
BILL AMENDED:

SUBJECT: Education Funding.

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FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		12,100,000	
Net Increase (Decrease)		(12,100,000)	

LOCAL IMPACT	CY 2001	CY 2002	CY 2003
Local Revenues		12,100,000	
Local Expenditures			
Net Increase (Decrease)		12,100,000	

Summary of Legislation: This bill provides a one-time grant to a school corporation that is equal to the difference between: (1) the amount of the school corporation's state tuition support for 2001 as calculated under the state tuition support worksheet provided by the Department of Education in June 2000, using the most recent data; and (2) the amount of state tuition support that the school corporation is entitled to receive for 2001 under state statute. The bill specifies that the grant may not be considered in determining the school corporation's state tuition support or general fund property tax rate.

Effective Date: Upon passage.

Explanation of State Expenditures: The Department of Education (DOE) holds a budget workshop in the spring of each calendar year. At the workshop DOE distributes tuition support worksheets, based on the

current tuition support law, that show how each school's tuition support is calculated using estimated data. The worksheets distributed in June 2000 contained an inaccuracy, which was discovered later. Some schools may have used the DOE figures to build their CY 2001 budget. Not all the data needed to calculate the CY 2001 state tuition support is currently available. The figures in the State Impact table, above, include estimates of the special education count, CY 2000 Auto Excise Tax collections, and CY 2000 Financial Institution Tax collections. Based on the currently available data, about 103 schools would receive the one-time grant. The actual impact should be known around March 2001. The bill appropriates funds necessary to fund the distribution.

The fiscal note will be updated when the actual figures become available.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: See Explanation of State Expenditures.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local School Corporations.

Information Sources: Department of Education databases.